
Japanese industrial output fell by a record 10 percent in January, yet more evidence that the world's second largest economy is being hit hard by the slowdown. The country is suffering because of falling demand for its products abroad. Roland Buerk reports from Tokyo:

The **drop** in industrial production of 10 percent in January was even worse than the **decline** in December - **setting a new and grim record** as Japan **sinks into** its worst economic crisis since the Second World War.

The latest figures come just days after the Government said exports had nearly halved. Consumers around the world afraid of losing their jobs in the downturn no longer want to buy Japanese electronic **gadgets** and cars. The Japanese themselves are also shopping less - average household spending fell 5.9 percent in January compared to the same month a year earlier. Jobs are being **slashed** - the number of people unemployed rose by more than 200,000.

Japan was once seen as **relatively immune to** the global crisis because its banks are not as **exposed to** bad loans as those in the United States or Europe. But its reliance on foreign markets **to drive its economy out of a long slump** in the 1990s has left it painfully exposed. In the last quarter of last year Japan's economy **shrank** by 3.3 percent, a far sharper decline than in the United States or Europe.

Roland Buerk, BBC, Tokyo

Vocabulary and definitions

drop	reduction, becoming smaller
decline	reduction, becoming smaller
setting a new and grim record	here, showing that Japan's levels of production are worse than ever before
sinks into	enters, begins to experience (something bad)
gadgets	devices or machines, usually small, that are used for a particular purpose or to perform a particular task
slashed	cut, closed
relatively immune to	not easily affected by
exposed to	affected by (here, in a negative way)
to drive its economy out of a long slump	to help its economy to recover while it was in a long downturn
shrank	reduced, became smaller

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